GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2602
ANSWERED ON:18.08.2006
CORE BANKING SOLUTION
Chowdhury Shri Bansagopal

Will the Minister of FINANCE be pleased to state:

(a) whether core banking solutions (CBS) can help to check the black money in India ;

(b) if so, the details thereof, and

(c) the extent to which it is likely to help the public/Government ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) and (b) Core Banking Solutions (CBS) enable online processing of banking transactions.CBS per se cannot help check the black money in India. Perhaps `black money` refers to the amount involved in those transactions which do not pass through the normal banking channels.However, due to introduction of Anti Money Laundering Act in India, various Information Technology companies have come out with Anti-money laundering Software solutions which will check transactions as defined under Anti-Money Laundering Act and this solution will have an inter-face with the Core Banking Solution. Installation of Software solutions will have a check on suspicious transactions particularly the high value cash transactions and will also help identify multiple accounts maintained by an individual.

(c) CBS helps by way of timely extraction and submission of statutory information like Cash Transaction Report under Anti-Money Laundering Act, Annual Information Report to Income Tax Authorities and Banking Cash Transaction Tax.It helps the regulators like Reserve Bank of India in implementing electronic payment systmes. It also helps the Banks to provied its customers anytime,anywhere banking.Customers of a branch become customers of the bank by way of availability of alternate delivery channels like internet banking,SMS Banking Tele-banking, ATMs etc,which provide banking services at theri door steps.